



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

MAR 13 2006

Douglas J. Patton, Esq.
Holland & Knight LLP
2099 Pennsylvania Avenue, Northwest
Suite 100
Washington, DC 20006-6801

RE: MUR 5673
Sandy Lyons for Congress and
Melissa B. Jordan, in her official
capacity as treasurer; Sanford David
"Sandy" Lyons

Dear Mr. Patton:

On February 3, 2006, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 441a-1(b)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended, and on behalf of Sandy Lyons for Congress and Melissa B. Jordan, in her official capacity as treasurer, in settlement of a violation of 11 C.F.R. § 400.21(b). Accordingly, the file has been closed in this matter

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Cameron Thurber", is written over a horizontal line.

J. Cameron Thurber
Attorney

Enclosure
Conciliation Agreement

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1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3
4 In the Matter of)

5)
6 Sandy Lyons for Congress and)

MUR: 5673

7 Melissa B. Jordan, in her official capacity)

8 as treasurer)

9 Sanford David "Sandy" Lyons)
10
11

CONCILIATION AGREEMENT

12 This matter was initiated by the Federal Election Commission ("Commission"), pursuant
13 to information ascertained in the normal course of carrying out its supervisory responsibilities.

14 The Commission found reason to believe that Sandy Lyons for Congress and Melissa B. Jordan,
15 in her official capacity as treasurer violated 2 U.S.C. § 441a-1(b)(1)(C) and 11 C.F.R.

16 § 400.21(b) and that Sanford David "Sandy" Lyons violated 2 U.S.C. § 441a-1(b)(1)(C).

17 NOW, THEREFORE, the Commission and Sandy Lyons for Congress and Melissa B.
18 Jordan, in her official capacity as treasurer, and Sanford David "Sandy" Lyons (the
19 "Respondents"), having participated in informal methods of conciliation, prior to a finding of
20 probable cause to believe, do hereby agree as follows:

21 I. The Commission has jurisdiction over the Respondents and the subject matter of
22 this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.
23 § 437g(a)(4)(A)(i).

24 II. Respondents have had a reasonable opportunity to demonstrate that no action
25 should be taken in this matter.

26 III. Respondents enter voluntarily into this agreement with the Commission.

27 IV. The pertinent facts in this matter are as follows:

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1 1. Sandy Lyons for Congress is a "political committee" within the meaning of
2 2 U.S.C. § 431(4). It was the authorized committee for Sanford David "Sandy" Lyons, a
3 candidate for the Republican Party's nomination for the House of Representatives from the 10th
4 Congressional District in North Carolina in 2004.

5 2. Melissa B. Jordan is the treasurer of Sandy Lyons for Congress.

6 3. The Federal Election Campaign Act of 1971, as amended, requires that when a
7 candidate for the United States House of Representatives "makes or obligates to make an
8 aggregate amount of expenditures from personal funds in excess of \$350,000 in connection with
9 any election" the candidate or authorized committee must file with the Commission an FEC
10 Form 10, 24-Hour Notice of Expenditure From Candidate's Personal Funds ("FEC Form 10")
11 within 24 hours of the threshold being exceeded. 2 U.S.C. § 441a-1(b)(1)(C); 11 C.F.R.
12 §§ 400.9(b); 400.21(b). The regulations specify that the FEC Form 10 must be *received* by the
13 Commission within twenty-four hours of the threshold being exceeded. 11 C.F.R. § 400.21(b).
14 Although the committee treasurer signs the FEC Form 10, the candidate is responsible for
15 ensuring that it is filed in a timely manner. 11 C.F.R. § 400.25.

16 4. Sanford David "Sandy" Lyons ("Lyons") made a series of contributions from
17 his personal funds to Sandy Lyons for Congress between January 6 and August 31, 2004, all
18 designated to the primary campaign. Lyons made an initial expenditure of \$1,000 from his
19 personal funds on January 6, 2004. Lyons made further personal expenditures of \$100,000 and
20 \$109,000, both on March 31, 2004, and one of \$75,000 on June 18, 2004. On June 30, 2004
21 Lyons made a \$60,000 contribution to the Committee which brought the amount of personal
22 funds he expended on his campaign to \$345,000. On July 9, 2004, Lyons made another

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1 contribution to the Committee from his personal funds in the amount of \$100,000, bringing his
2 total expenditures to the Committee from his personal funds to that date to \$445,000.¹

3 5. As expenditures from Lyons' personal funds exceeded the \$350,000 aggregate
4 threshold on July 9, 2004, the Respondents' FEC Form 10 had to be received by the Commission
5 no later than July 10, 2004, at 11:59 p.m. 2 U.S.C. § 441a-1(b)(1)(C); 11 C.F.R. § 400.21(b).

6 6. Respondents' FEC Form 10 disclosing that Lyons had expended personal
7 funds in excess of \$350,000 was not received by the Commission until July 14, 2004, four days
8 after the deadline.

9 V. Respondents violated 2 U.S.C. § 441a-1(b)(C) and Sandy Lyons for Congress and
10 Melissa B. Jordan, in her official capacity as treasurer ("Committee Respondents"), also violated
11 11 C.F.R. § 400.21(b) by failing to file timely a notification that the candidate expended personal
12 funds in excess of \$350,000. Respondents will cease and desist from violating 2 U.S.C.
13 § 441a-1(b)(1)(C), and Committee Respondents will also cease and desist from violating
14 11 C.F.R. § 400.21(b).

15 VI. Respondents will pay a civil penalty to the Federal Election Commission in the
16 amount of Thirty-Four Thousand Dollars (\$34,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

17 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
18 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
19 with this agreement. If the Commission believes that this agreement or any requirement thereof

¹ There was a discrepancy regarding the date of the expenditure on reports filed with the Commission. The FEC Form 10, filed on July 14, 2004, indicated the expenditure was made on July 8, 2004, while the 2004 October Quarterly Report indicated the date of the expenditure was July 9, 2004. The latter of the dates was used in calculating the number of days between the expenditure and the filing of the FEC Form 10. On August 31, 2004, Lyons made an additional expenditure of \$4,000 from his personal funds, designated to the primary, bringing his total expenditures from his personal funds to \$449,000.

1 has been violated, it may institute a civil action for relief in the United States District Court for
2 the District of Columbia.

3 VIII. This agreement shall become effective as of the date that all parties hereto have
4 executed same and the Commission has approved the entire agreement.

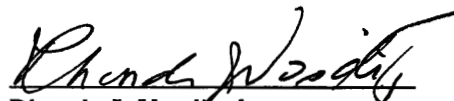
5 IX. The Respondents shall have no more than 30 days from the date this agreement
6 becomes effective to comply with and implement the requirement contained in this agreement
7 and to so notify the Commission.

8 X. This Conciliation Agreement constitutes the entire agreement between the parties
9 on the matters raised herein, and no other statement, promise, or agreement, either written or
10 oral, made by either party or by agents of either party, that is not contained in this written
11 agreement shall be enforceable.

12 FOR THE COMMISSION:


13 Lawrence H. Norton
14 General Counsel
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16
17
18 BY:

19 
20 Rhonda J. Vosdignh
21 Associate General Counsel

22 
23 Date
24

25 FOR THE RESPONDENTS:

26 
27 (Name)
28 (Position)

29 
30 Date
31

SANFORD D. LYONS
CEO
DEANA COMTEQ
AMSTERDAM
The NETHERLANDS

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